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# Telecommunications in the United Nations

## Report of the Secretary-General

## I. INTRODUCTION

1. For the past five years there has been considerable interest in the United Nations telecommunications network, particularly in meeting increasing demands for services and in managing and operating it in the most cost-effective manner. The Secretary-General submitted his first report (A/C.5/46/5) to the General Assembly in 1991, in which he introduced the concept of a global United Nations telecommunications network. The report indicated that additional study in the area was needed and that additional proposals would be forthcoming.

2. Comprehensive proposals for a satellite-based United Nations global telecommunications network were first introduced by the Secretary-General at the forty-eighth session of the General Assembly (A/C.5/48/11). The proposals contained in that report required major non-recurrent capital expenditures on a satellite-based telecommunications network amounting to $9.3 million, of which $2.75 million represented additional appropriations funded from the regular budget, $5.4 million would come from the peacekeeping accounts and the balance would be funded from existing regular budget resources. There would also have been recurrent costs of $8.9 million, of which $1.2 million represented additional funding against the regular budget.

3. The Advisory Committee on Administrative and Budgetary Questions reviewed those proposals and requested additional information concerning various aspects of the proposed network. That information, along with revised cost estimates for the project, was presented by the Secretary-General (A/C.5/48/11/Rev.1). The Committee again reviewed the project and submitted its findings (A/48/7/Add.9), and although it supported the Secretary-General's initiative to establish a satellite-based telecommunications network, it did not recommend that any additional funding be appropriated for the project.

4. The General Assembly issued specific directives concerning the Secretary-General's initiative in its resolution 48/262, in paragraph 3 of which the Secretary-General was authorized to proceed with a portion of the proposed global network, namely, the establishment of a European hub site and the upgrading of the New York satellite facility. However, those actions were allowable only within existing resources.

5. In paragraph 4 of the resolution, the Secretary-General was requested to submit a report that set out alternative ways of implementing the proposals contained in his earlier report. That was done, insofar as information was available (A/C.5/49/26), and the report was supplemented by a conference room paper (A/C.5/49/CRP.5), issued in 1995, that provided additional information on alternative strategies which might be employed in the establishment of a global telecommunications network.

6. In paragraphs 5 to 8 of the resolution, the General Assembly requested the Secretary-General to submit plans for sharing the costs of establishing and operating a global networking facility with United Nations specialized agencies and programmes; to report on requirements for network services; to propose formulas for cost sharing; to provide comprehensive information concerning location of telecommunications facilities in Member States; and to show clearly the costs of telecommunications attributable to peacekeeping operations. Some of the concerns expressed by the General Assembly in those paragraphs have already been addressed by the Secretariat in consultation with the specialized agencies, and are reported on below. Where specific issues have not been dealt with, this report outlines actions to be taken to satisfy specific points raised in the resolution.

7. This report also addresses the concerns of the Joint Inspection Unit expressed in its report entitled "A review of telecommunications and related information technologies in the United Nations system" (A/50/686).

## II. PRESENT STATUS OF COMMUNICATIONS (AS OF NOVEMBER 1996)

8. A wide range of telecommunications services are provided to the Secretariat, to its programmes and funds and to the specialized agencies. Dedicated telecommunications links exist between United Nations Headquarters in New York and the seven principal offices away from Headquarters (Addis Ababa, Amman, Bangkok, Geneva, Nairobi, Santiago and Vienna). Telecommunications services to the offices away from Headquarters have traditionally been carried over terrestrial circuits leased from commercial service providers or national postal, telephone and telegraph companies. Payment for these leased lines is made from the United Nations regular budget. In addition, the United Nations maintains satellite-based services to all major peacekeeping missions as authorized by the General Assembly and funded from the peacekeeping budgets.

9. The following specific services are provided to the Organization and, as needed, to the specialized agencies: voice, private branch exchange and voice-mail operations; electronic messaging, including facsimile, telex and cable services; data communications (for traffic related to electronic mail, the Integrated Management Information System, optical disk, etc.); secure

(encrypted) communications; and other specialized services (e.g., videoconferencing).

10. All of those services are carried over the United Nations global network, which comprises both the leased lines and United Nations-operated satellite links. They are also available to destinations that are not in the United Nations global network, using commercial circuits on an on-demand basis. Service arrangements have been established with commercial carriers that allow the United Nations to forward traffic to them as necessary.

11. The United Nations global network is used primarily by the United Nations Secretariat, but under resolution 55 of the Plenipotentiary Conference of the International Telecommunication Union of 1994, specialized agencies are also permitted to use it. All of the telecommunications services listed above that are provided to the agencies over the United Nations global network are subject to cost recovery.

## III. CHANGES WHICH HAVE OCCURRED SINCE THE SECRETARY-GENERAL'S ORIGINAL PROPOSALS

12. Significant changes have occurred, both in the telecommunications industry and in the United Nations system, which have called for a re-evaluation of the Secretary-General's original proposals for a telecommunications network owned and operated mainly by the United Nations. Prior to 1991, when the original network was designed, telecommunications services in most countries were available only through government-owned facilities. In some cases, new high-speed digital services were either non-existent, unreliable or prohibitively expensive. This often left the United Nations with no high-quality international links. In the past few years, high-speed digital telecommunications services have increasingly been available to corporate clients at favourable rates.

13. Many of the former state-owned postal, telephone and telegraph companies have recently been privatized, leading to rapid development of telecommunications infrastructures. In many countries there has been an emphasis on the provision of new high-speed digital technology, which would enable large clients to operate applications that were previously impossible. In many regions where technological development is advancing rapidly, national telecommunications enterprises have formed partnerships and international cooperation arrangements. The end result for organizations like the United Nations has been the possibility for high-speed digital telecommunications at commercially competitive rates.

14. At present, many of the advances in telecommunications are not yet available in some of the developing countries in which the United Nations has a presence. Yet, if current trends continue, better conditions will prevail over the long term. Given those conditions, the network services required by the Organization will eventually be available commercially, relieving the Organization of the need to invest heavily in equipment and related technology.

15. The Secretary-General is also mindful of concerns raised by Member States concerning the establishment of a global network. There is a need to re-examine whether or not the Organization must own and operate its own network. Indeed, the focus during the entire period in which this issue has been under discussion has been to encourage the Secretary-General to explore alternatives to the original proposals and to make certain that whichever option is chosen is the most cost-effective one.

16. Although changes in the telecommunications industry have necessitated a re-evaluation of the original proposals, a more important factor has been the need to examine all present Secretariat programmes in the context of making them more cost-effective. Overall budgetary constraints have encouraged programme managers to look closely at existing arrangements to determine how costs can be reduced while maintaining or improving the quality of services provided to the Organization. In the field of information technology, and for telecommunications in particular, service improvements and cost reductions have included the following initiatives:

(a) Reorganization and selection of new management for the Information Technology Services Division at United Nations Headquarters;

(b) Selection of trained personnel to operate telecommunications facilities at offices away from Headquarters;

(c) Improvement of coordination with field operations personnel at peacekeeping missions;

(d) Review of all telecommunications activities to determine their suitability to present needs;

(e) Implementation of cost containment policies wherein cost overruns on project activities are controlled;

(f) Use of competitive bidding for all telecommunications services procured from service providers to ensure lowest cost;

(g) Establishment of global United Nations contracts that provide for utilization by the entire United Nations system to achieve economies of scale;

(h) Implementation of least-cost routing over commercially available circuits;

(i) Replacement of costly services by less expensive ones;

(j) Elimination of services that are no longer required by a significant number of users.

17. A priority has been placed on setting goals that emphasize the need to operate the global telecommunications network in the most cost-effective way possible. One example of this has been a recent initiative to gradually phase out costly telex and cable traffic in favour of less expensive facsimile and electronic mail transmission.

18. Since 1991 there has also been a trend by large organizations to outsource support services. Outsourcing can take many forms, from a simple contract for maintaining a piece of equipment (a private branch exchange switchboard for example) to the provision of an entire service for an organization (e.g., operating all telecommunications at a particular duty station). Although outsourcing cannot be seen as a solution to all problems, it does allow management to shift the responsibility for the provision of a service or group of services from internal staff to a qualified service provider.

19. As noted above, conditions in the telecommunications industry are changing rapidly, and it is likely that more global outsourcing possibilities will soon be available to the Organization. That may take the form of a contractor providing employees to maintain the existing level of security for sensitive traffic and to ensure the quality and availability of services. Outsourcing a facility (rather than owning it) ensures that the Organization has considerable independence in obtaining the best pricing for any service from any supplier that has been deemed reliable. It also implies that the capacity can easily be adjusted to meet changing traffic requirements, whether they be increasing or decreasing.

## IV. THE UNITED NATIONS GLOBAL NETWORK: A REASSESSMENT

20. Given the concerns raised by Member States, the changing climate of the telecommunications industry and the more constrained funding situation in the United Nations at present, the Secretary-General's original proposals are being revised. In the present climate of improving the cost-benefit ratio of Secretariat programmes, the strategic direction of telecommunications in the United Nations is being reviewed.

21. The former strategy wherein the United Nations would own and operate many of its own telecommunications facilities is now outdated, since many of those services can be procured less expensively through commercial suppliers. Although the General Assembly did approve the establishment of a European telecommunications hub facility, such large capital expenditures are now viewed as unnecessary.

22. Having received General Assembly approval to upgrade the New York earth station, the Secretary-General has continued to make the necessary improvements to that facility to meet peacekeeping requirements. Where peacekeeping missions are terminated and specialized agencies continue to maintain a presence, arrangements have been made to transfer responsibility for the operation and maintenance of those sites to the agencies.

23. Given the significantly lower cost of leasing circuits from commercial sources, the Secretary-General is of the opinion that it is no longer necessary to purchase and operate earth stations for each of the United Nations offices away from Headquarters. However, an exception is made for the provision of telecommunications services to duty stations where commercial service providers cannot provide high-speed digital circuits or where they may be prohibitively expensive.

24. Until the necessary high-speed digital capacity can be provided, the Secretary-General is redeploying earth stations that were formerly used for field missions. That equipment, obtained from the Department of Peacekeeping Operations, can operate using existing satellite capacity. In most cases the Department continues to use part of the capacity for its own use. In those cases it is worth noting that no additional capital expenditures are incurred in providing telecommunications services to the offices away from Headquarters.

25. The Secretary-General proposes to continue to investigate the increased use of outsourcing for telecommunications operations, maintenance and other related functions, on the assumption that further cost benefits might be obtained. Most equipment maintenance is already outsourced to firms authorized to service equipment. It is possible that additional operational activities could be outsourced. Proposals will be solicited from vendors in operational areas where outsourcing can be used effectively.

26. Although the Secretary-General's original proposals for a telecommunications system included significant funding for additional staff to operate the telecommunications facilities at United Nations Headquarters and at offices away from Headquarters, having reviewed the staffing situation at all duty stations, he is now of the opinion that staffing costs can be met from within existing resources. The principal reason is that, during the biennium 1996-1997, 16 Field Service posts in telecommunications were transferred from the Department of Peacekeeping Operation's authority to that of the local offices away from Headquarters. Those posts, plus staff resources that existed previously at each duty station, are deemed sufficient to perform the necessary operational tasks. For the biennium 1998-1999, it would be proposed that the regular budget continue to include those posts under the relevant sections.

27. The Secretary-General also intends to pursue the integration of the present United Nations global network with the Mercure network, which is due to go into its initial phase of operation during 1997 as a part of the United Nations Environment Programme. Because the Mercure network provides links to destinations, some of which are also Secretariat sites, some economies of operation may be achieved if the two networks can be interconnected. Before this can take place, however, some technical obstacles need to be resolved.

## V. A UNITED NATIONS CORPORATE NETWORK

28. The International Telecommunication Union has made it possible for the United Nations global network to carry the traffic of the specialized agencies, provided that the traffic is related to official business. As discussed above, the United Nations global network consists of a satellite-based network, which is used principally for peacekeeping purposes, and a leased-line network, which connects United Nations Headquarters with the seven principal offices away from Headquarters and two additional European locations (Paris and Rome). At present, the use made of the United Nations global network by the specialized agencies is quite limited.

29. In many cases, organizations in the United Nations system need to establish telecommunications links in locations where the United Nations global network

does not currently provide service. Those additional linkages could also be considered part of a United Nations system telecommunications network. In considering the concept of a United Nations global telecommunications network, it is important to arrive at a definition which either includes or excludes service to locations outside the scope of the Organization's interests. The Joint Inspection Unit coined the term "United Nations corporate network" (see A/50/686) to refer to a composite network consisting of the Organization's own internally supported network plus the telecommunications networks of all of the specialized agencies, funds and programmes. This definition provides a good way to differentiate between the two telecommunications entities and will be employed here.

30. The General Assembly has stipulated that in any expansion of the United Nations telecommunications networks it is necessary to establish a sound legal basis for inter-agency cooperation. The Office of Legal Affairs of the Secretariat has been instrumental in advising the Secretary-General on various aspects of the United Nations global network. It has also been requested to provide advice on the various aspects of setting up the corporate network. Some of those requests were initially made in order to establish arrangements between the United Nations and specialized agencies. A memorandum of understanding between the World Bank and the United Nations, which will provide the framework for shared use of telecommunications facilities, was signed during the present session of the General Assembly.

31. The cooperative effort with the World Bank represents a significant advance in inter-agency sharing of telecommunications facilities. Initially, this would involve extending the network to provide service in countries where the World Bank has offices, including countries in Africa and Latin America and the Caribbean, where the cost advantages of using the network would be greatest. The United Nations will undertake to obtain the necessary permissions from Member States to install and operate each telecommunications facility. Capital equipment and operating costs will be borne by the World Bank, with the proviso that when other agencies (including the United Nations) need to have service at a World Bank-operated location, the existing facility will be made available on a cost-sharing basis.

32. In its resolution 48/262, the General Assembly requested the Secretary-General to report on the requirements of the specialized agencies and programmes and on other aspects of inter-agency cooperation that would be required to fund and use the corporate network. This work has been initiated and an ad hoc inter-agency group, the Inter-Agency Telecommunications Advisory Group, was formed in 1995 to address issues related to use of the United Nations corporate network.

33. The Group has taken up a number of issues of concern to the organizations that are represented, including the concept of sharing telecommunications resources and facilities. A database has been established to report on common requirements for telecommunications services and to coordinate the use of new or existing facilities. Where a telecommunications service facility has been set up by one agency, fund or programme, any additional agencies that are planning to set up an office at the same location are encouraged to share a common facility. This is consistent with the recommendations on common premises made

by the Joint Inspection Unit. The database on shared telecommunications requirements for common facilities is currently being tested and will be expanded during the biennium. Each agency has been requested to supply relevant data.

34. The Group has also discussed the common need to set up telecommunications facilities quickly in times of emergency. One of the options considered is the use of on-demand satellite-based voice communications. Under this approach, which provides an excellent basis for voice and facsimile traffic, an organization would acquire a standard earth station and use a satellite channel owned by a global service provider. A similar arrangement for data communications is being established by the United Nations with another global service provider that will allow the United Nations and all participating agencies, funds and programmes to benefit from special pricing arrangements for data communications services worldwide.

35. Both of the above-mentioned arrangements represent initiatives that will extend the scope and utility of the United Nations corporate network without having to make significant investments in capital equipment and for which the operation and maintenance of the facilities will be done, for the most part, by the service provider. Those arrangements, since they are global in nature, also enforce a certain level of standardization, wherein all of the participating agencies employ the same technology and are thus guaranteed that interconnections between agencies can be made easily.

36. New technologies and services need to be introduced to the United Nations system in a coordinated way. The Group could provide a forum for such coordination, which could, for example, encompass the provision of videoconferencing services, the development of connections over which Internet sites can be reached and the development of a United Nations-wide electronic mail network. The United Nations Development Programme has already launched an inter-agency initiative to contract for a broad range of messaging services, including electronic mail.

## VI. CONCLUSION

37. In view of the fact that high-speed digital telecommunications services are becoming available at lower prices from commercial sources, it may no longer be cost-beneficial to purchase and operate telecommunications facilities for all locations where the United Nations has a presence. Additional efforts will be made to bring about further efficiencies in the operations of the United Nations global network, utilizing further opportunities for outsourcing as appropriate and establishing cooperative arrangements with specialized agencies. For the bienrium 1998-1999, the Secretary-General proposes to continue to request resources for telecommunications as a part of the regular programme of activities under the proposed programme budget. Resources for telecommunications as they relate to peacekeeping activities will continue to be incorporated into those budgets.

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